

United States District Court	RECEIVED DISTRICT OF ARIZONA DOCKET NO. FEB 28 2011 CLERK U.S. DISTRICT COURT MAGISTRATE'S CASE NO. BY 11-03131M-
<b>United States of America</b> <b>v.</b> <b>Philip M. CAIN</b> YOB: 1966 United States Citizen	

Complaint for violation of Title 18

United States Code §§ 1341, 1957 and 2

## COMPLAINANT'S STATEMENT OF FACTS CONSTITUTING THE OFFENSE OR VIOLATION:

**COUNT 1**

Defendant PHILIP M. CAIN, devised a scheme and artifice to defraud financial investors of their personal investment funds. It was part of PHILIP M. CAIN's scheme and artifice to defraud that in June, 2008, PHILIP M. CAIN, registered the trade name "Commonwealth Financial Services" and represented himself as a financial advisor. It was part of the scheme and artifice to defraud that PHILIP M. CAIN opened a business bank account in June, 2008, at JPMorgan Chase in the name of Commonwealth Financial Services. PHILIP M. CAIN was the sole signer on the account.

It was further part of the scheme and artifice to defraud that between June 10, 2008, and January 6, 2010, PHILIP M. CAIN deposited more than \$1.4 million of investor funds into the JPMorgan Chase Account.

It was further part of the scheme and artifice to defraud that PHILIP M. CAIN advised investors that the investment funds made payable to Commonwealth Financial Services would be invested in structured notes at Deutsche Bank. However, it was further part of the scheme and artifice to defraud that investor funds were used to purchase automobiles, repair them, and sell the automobiles at classic car auctions instead of investing the funds in Deutsche bank notes.

It was further part of the scheme and artifice to defraud that PHILIP M. CAIN mailed false and fraudulent statements alleged to be from Deutsche Bank to investors for the purpose of executing and concealing the above scheme and artifice to defraud. Deutsche bank confirmed that it does not use account numbers beginning with an "S" as used by PHILIP M. CAIN on the false and fraudulent statements mailed to investors. Deutsche Bank identified one such statement mailed to investors as false.

It was further part of the scheme and artifice to defraud that between June 30, 2008, and May 12, 2010, approximately \$596,000.00 was withdrawn from the JPMorgan Chase Account under the name Commonwealth Financial Services in cash and cashier's checks made out to PHILIP M. CAIN or persons believed to be family members.

On or about December 1, 2008, in the District of Arizona, for the purpose of executing or attempting to execute the above-described scheme and artifice to defraud, Defendant PHILIP M. CAIN, placed in any post office or authorized depository for mail matter, a false and fraudulent statement alleged to be a statement of Deutsche Bank, Account No. S90035761-N, dated December 1, 2008, to investor, J.C.

All in violation of Title 18 United States Code, Section 1341.

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On or about January 28, 2009, at or near Tucson, in the District of Arizona, defendant PHILIP M. CAIN, did knowingly engage and attempt to engage in a monetary transaction by through or to a financial institution, affecting interstate or foreign commerce, in criminally derived property of a value greater than \$10,000, that is a withdrawal in the amount of \$30,000 in the form of a Cashier's Check, Check No. 9216501413, such property having been derived from a specified unlawful activity, that is, mail fraud, in violation of Title 18 United States Code, Section 1341, all in violation of Title 18, United States Codes, Sections 1957 and 2.

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**BASIS OF COMPLAINANT'S CHARGE AGAINST THE ACCUSED:**

1. At all times material to the charges, defendant PHILIP M. CAIN was a resident of Tucson, Arizona.
2. In June, 2008, PHILIP M. CAIN, registered the trade name "Commonwealth Financial Services" and represented himself as a financial advisor. Also in June, 2008, PHILIP M. CAIN opened a business bank Account at JPMorgan Chase in the name of Commonwealth Financial Services. PHILIP M. CAIN was the sole signer on the account.
3. Between June 10, 2008, and January 6, 2010, PHILIP M. CAIN deposited more than \$1.4 million of investor funds into the JPMorgan Chase Account. PHILIP M. CAIN advised investors that the investment funds made payable to Commonwealth Financial Services would be invested in structured notes at Deutsche Bank. However, investor funds were used to purchase automobiles, repair them, and sell the automobiles at classic car auctions instead of investing the funds in Deutsche bank notes.
4. PHILIP M. CAIN mailed false and fraudulent statements alleged to be from Deutsche Bank to investors for the purpose of executing and concealing the above scheme and artifice to defraud. Deutsche bank confirmed that it does not use account numbers beginning with an "S" as used by PHILIP M. CAIN on the false and fraudulent statements mailed to investors. Deutsche Bank identified one such statement mailed to investors as false.
5. Between June 30, 2008, and May 12, 2010, approximately \$596,000.00 was withdrawn from the JPMorgan Chase Account under the name Commonwealth Financial Services in cash and cashier's checks made out to PHILIP M. CAIN or persons believed to be family members.
6. On December 1, 2008, PHILIP M. CAIN deposited \$100,000.00, check no. 555 from investor J.C. into the Commonwealth Financial Services JPMorgan Chase account.
7. On or about December 1, 2008, for the purpose of executing or attempting to execute the above-described scheme and artifice to defraud, Defendant PHILIP M. CAIN, placed in any post office or authorized depository for mail matter, a false and fraudulent statement alleged to be a statement of Deutsche Bank, Account No. S90035761-N, dated December 1, 2008, to investor, J.C.
8. On January 28, 2009, PHILIP M. CAIN withdrew \$30,000.00 cash in the form of cashier's check no. 9216501413, payable to PHILIP M. CAIN from the Commonwealth Financial Services JPMorgan Account.
9. The activities of JPMorgan Chase Bank affect interstate commerce.

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MATERIAL WITNESSES IN RELATION TO THE CHARGE.	
DETENTION REQUESTED	SIGNATURE OF COMPLAINANT <i>Shawn Batsch</i>
COMPLAINT REVIEWED by AUSA Jane Westby Being duly sworn, I declare that the foregoing is true and correct to the best of my knowledge.	OFFICIAL TITLE Shawn Batsch, Supervisory Special Agent, IRS
Sworn to before me and subscribed in my presence.	
SIGNATURE OF MAGISTRATE JUDGE <sup>1)</sup> <i>Blenda E. Edwards</i>	DATE February 25, 2011

<sup>1)</sup> See Federal rules of Criminal Procedure Rules 3 and 54